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C O N F I D E N T I A L SECTION 01 OF 02 MEXICO 000869

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SUBJECT: PRI ELECTS BEATRIZ PAREDES AS PARTY PRESIDENT

REF: MEXICO 695

Classified By: POLITICAL MINISTER-COUNSELOR CHARLES V. BARCLAY, REASONS
: 1.4(B/D).

11. (SBU) Summary: As the pundits and polls predicted, Beatriz Paredes, a former PRI Secretary General, Senator, Deputy and Tlaxcala state Governor, easily defeated her rivals in the race for the PRI party presidency, with a margin of better than two-to-one over her nearest rival, former Senate President Enrique Jackson of Sinaloa. Paredes's large margin of victory will simplify the party's task of putting its leadership contest behind it. Nevertheless, while Paredes is known for her charisma, dynamism, and political skills, the task of modernizing the party and redefining its image and ideology to make it electorally competitive once again, would challenge even the most skilled of politicians. End summary.

Paredes By a Mile

12. (U) As expected, the final vote count in the race for party president was not even close. Paredes won approximately 69 percent of the 13,731 votes cast, compared to Jackson's 30 percent. The three minor candidates cumulatively polled just over 0.5 percent. Paredes won in 25 of Mexico's 32 states, with Jackson winning only in six; the election in one state, Morelos, was canceled after protesters detonated small explosives and released tear gas in the polling place. If the results contained one cautionary note for Paredes, however, it is that while she rolled up crushing margins in most of the states she carried, in her home state of Tlaxcala, she surprisingly won by only 6 percent. Jackson conceded early in the evening, recognizing Paredes's victory and reiterating his loyalty to the party.

13. (C) As the campaign took form over the past couple of months, it quickly became apparent that Jackson never had much of a chance of victory (reftel). Although he appeared to enjoy an advantage in campaign funds -- one well-placed PRIista told poloff that he was generously funded by at least one northern Mexican bank -- funding played little role in a campaign that was waged not in the broader electorate, but among the PRI's 17,000 national political counselors. Early on, Paredes locked up the support of the majority of the party's most influential figures, including a large majority of its 17 state governors, Senate President (and indomitable political operator) Manlio Fabio Beltrones, former President Carlos Salinas, and former presidential candidate Roberto Madrazo. Her running mate, Jesus Murillo Karam, a former Hidalgo Governor and now PRI Secretary General-elect, also proved to be far more of an asset than Jackson's. While Murillo helped Paredes to carry his home state by an 8-1 margin, Jackson's running mate, a little known 31 year old federal Deputy from Cozumel, probably cost him more votes than she brought to the ticket, due to a scandal over her

part ownership of a striptease club. Some sources speculate that President Calderon discretely made known his preference for Paredes -- with whom he has a longstanding friendship -- in states governed by his National Action Party (PAN).

Proposing a Constructive Opposition

¶4. (U) In an election night press conference, Paredes promised that she would lead the PRI on the basis of inclusiveness, and that she would be open to dialogue with other political parties and with the Calderon administration, adding "we are going to be a firm, creative and constructive opposition." Her first order of business will be preparing for the party's Fourth Special Assembly, scheduled for March 1-4, at which the party will need to begin the processes of rebuilding itself and of preparing for important state races this year in Michoacan, Baja California and Yucatan.

¶5. (C) Our contacts both inside and outside the PRI believe that as party president, Paredes will indeed be open to dialogue with President Calderon, with whom she forged a constructive relationship when they each led their parties' lower chamber factions in the 58th Congress (2000-03). Indeed, in a meeting last October, Paredes hinted to poloffs that Calderon was considering her for a cabinet position; when she was never named to the cabinet, it was speculated that she turned down whatever position was offered to her as being insufficiently prominent. Influential PRI Deputy (and Paredes supporter) Samuel Aguilar told poloff on February 20 that for the next year, the PRI would be far more open to compromising with the Calderon administration than it had been under the Fox administration, when it was widely seen as being an obstructionist force. He hinted that the PRI wanted

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to have a record of reforms to run on, as well as to project itself as a responsible, moderating force between the more polarizing PAN and PRD. He observed, however, that starting next year, as the 2009 midterm elections drew nearer, the PRI would be under pressure to differentiate itself from the PAN and would likely become less accommodating.

Comment: Winning Was the Easy Part

¶6. (C) While Paredes's victory in the internal election was never in doubt, her success as party president is a less sure bet. The party's historically poor performance in last year's national election has left it divided and dispirited, and the spate of scandals during that campaign, as well as the more recent unrest in PRI-ruled Oaxaca, have only served to remind the public of what it liked least about the PRI. Indeed, a national poll published on February 21 revealed that only 23 percent of the Mexican public held a favorable image of the PRI, while 36 percent held an unfavorable image; by comparison, 47 percent of Mexicans held a favorable image of the PAN, and only 25 percent held a negative image. Given its long history of corruption and cronyism, many Mexicans see the PRI as standing for little more than the pursuit of power and the spoils that power brings. If Paredes is to succeed as party president, she will have to lead the party to develop an entirely new public identity, no mean feat for an institution that has a 70 year history to live down.

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